



U.S. Department
of Veterans Affairs

News Release

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FOR IMMEDIATE RELEASE
February 1, 1999

Washington, D.C. -- Funding for the Department of Veterans Affairs (VA) will reach \$44 billion in the fiscal year 2000 budget submitted to Congress today.

"As we plan for a new century, it is critical that our commitment to keeping America's promise by providing quality care and exceptional service to our nation's veterans remains unchanged," said Secretary of Veterans Affairs Togo D. West, Jr. "The Administration's budget proposal for veterans reflects that commitment."

VA's fiscal year 2000 budget, a \$200 million increase over last year, will provide budget authority of \$43.6 billion and outlays of \$44 billion for the department. It includes funding for benefits and services for the country's more than 25 million veterans and 44 million family members.

Among the budget highlights this year are funding for:

- vigorous testing and treatment of hepatitis C patients;
- an additional \$105 million for long-term care initiatives;
- expanded emergency care benefits for service-disabled veterans enrolled in the VA health-care system;
- an additional 440 full-time employees for adjudication of disability claims;
- opening a new national cemetery and fully activating three others;
- an additional \$50 million for homelessness activities (includes \$10 million for new transitional housing loan subsidies); and
- prosthetics research.

The budget contains \$18.1 billion for medical care (includes \$749 million in medical collections). To continue improvements in the delivery of and access to outpatient care, VA will open 89 new outpatient clinics and treat about 54,000 more patients in fiscal year 2000 than in 1999, a 1.5 percent increase. The budget proposes additional funding to assist homeless veterans (\$40 million in medical care and \$10 million in transitional housing loans), and includes \$136 million over the fiscal year 1999 level of \$114 million to combat hepatitis C in all veterans who are tested positive and choose to receive treatment.

VA also seeks \$106 million to fund alternative long-term care programs such as home care. The Medicare subvention demonstration program will again be sought by the Administration in 1999 to test the feasibility of VA collecting Medicare payments for VA care provided to Medicare-eligible, higher-income veterans without service-connected disabilities. The budget also includes a legislative proposal for provision of out-of-network emergency care for service-connected veterans enrolled in the system.

The budget provides \$860 million -- \$49 million over the 1999 enacted level -- to further ensure the timely delivery of compensation, housing, education, pension and insurance benefits to veterans. An additional 440 full-time employees will be added to process disability claims efficiently.

The budget requests \$97 million -- \$5 million above the 1999 enacted level -- to operate the National Cemetery Administration. This increase provides the funding to further the development of the system that

has been underway for a few years.

New budget authority of \$296 million is requested for VA's construction programs. The budget request provides funding for major construction projects, resources for minor construction, and grants for state veterans' nursing homes and cemeteries.

In addition, the budget proposes to authorize the establishment of a new five-year pilot that would allow VA to sell, transfer, or exchange its excess properties, retain 90 percent of the proceeds, and reinvest those proceeds into non-recurring capital needs to benefit veterans.

The proposed budget will permit the department to continue the shift from hospital inpatient care to outpatient and noninstitutional care settings, enabling the department to provide better and more accessible health care to a greater number of veterans.

Medical Programs

A total of \$17.3 billion is requested to provide quality medical care to 3.6 million unique patients, an increase of 53,500 patients over last year. In addition, VA is requesting authority for the expenditure of \$749 million in third-party insurance collections and copayments, for a total medical care budget of \$18.1 billion.

Using two nationally recognized clinical guidelines, health care for the veterans VA treats will continue to improve to levels of quality that exceed national standards.

The medical care budget includes resources to:

- Support more than 673,000 inpatient episodes and 40 million outpatient visits.
- Fund \$250 million for testing and for treatment of hepatitis C.
- Fund \$316 million for medical and prosthetic research projects.
- Fund \$56 million to contract nationwide smoking cessation programs for honorably discharged veterans who began smoking in the military.

Benefit Programs

The budget requests \$21.6 billion to provide compensation and pension benefits to veterans and their survivors. Nearly 2.3 million veterans and 300,000 survivors will receive compensation benefits in fiscal year 2000. Pension benefits will be provided to more than 380,000 veterans and 268,000 survivors.

The Administration proposes to provide a cost-of-living adjustment (COLA), based on the Consumer Price Index, to all compensation beneficiaries including Dependency and Indemnity Compensation (DIC) for spouses and children. It is currently estimated at 2.4 percent. This is the same as the COLA that will be provided, under current law, to veterans pension and Social Security recipients. The increase would be effective Dec. 1, 1999, and would cost an estimated \$293 million during fiscal year 2000.

With the additional staff dedicated to claims processing, VA is projecting an improvement in timeliness.

National Cemetery Administration

The Administration proposes a budget of \$97 million and 1,406 employees for the National Cemetery Administration, an increase of \$5 million over the 1999 level.

The increase includes an additional \$770,000 for more employees and equipment to address the projected fiscal year 2000 growth in the number of interments to be performed at existing cemeteries.

Additional funding and personnel are requested to continue the activation of the new national cemetery in Ohio and for the first full year of operations at three new national cemeteries in New York, Illinois and Texas. These new cemeteries will increase to 77 percent the number of veterans served with reasonable access to a veterans cemetery.

Construction Programs

New budget authority totaling \$60 million is requested for VA's major construction program, which includes funding for a clinical improvement project at Kansas City, Mo., a spinal cord injury and rehabilitation project at Tampa, Fla., a patient environment project at Murfreesboro, Tenn., and a gravesite development project at Leavenworth, Kan. Also, construction funds are provided to remove asbestos from VA-owned buildings and to support planning and design activities.

In addition, new budget authority totaling \$175 million is requested for the minor construction program to make improvements to ambulatory care settings, patient environment and VA's aging infrastructure. New budget authority of \$11 million is requested for grants for state veterans cemeteries and \$40 million for grants for the state extended care programs.